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**TESTIMONY OF PROPERTY OWNERS AND RESIDENTS
ASSOCIATION (PORA) BY ALBERT E. GERVENACK, DIRECTOR,
BOARD OF DIRECTORS**

14751 W. Buttonwood Dr., Sun City West, Arizona 85375

Docket E-01345A-13-0248, and (Discussion) Docket E-00000J-13-0375

**"IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE
COMPANY FOR APPROVAL OF NET METERING COST SHIFT SOLUTION", and
"INNOVATIONS TECHNOLOGICAL DEVELOPMENTS"**

**Public comment date: September 9, 2014, Hearing Room One, Arizona
Corporation Commission**

ORIGINAL

Good morning, Chairman Stump and honored members of the Commission:

My name is Albert Gervenack and I am here today representing Property Owners and Residents Association (PORA) of Sun City West (SCW), Arizona. I am an elected Director of the PORA Board of Directors.

My comments focus on a very small area of the issue. With that said, this very complex issue is of major importance for PORA and resident homeowners of SCW.

I am here today to speak in opposition to any consideration to open a generic docket that would include approval of rate design for net metering outside a full rate case.

Let me state that I understand that the Commission decision to allow APS to place a surcharge for rooftop residential Photovoltaic (PV), on the customer's monthly bill, was not a complete and final solution to the use and inclusion of this new technology.

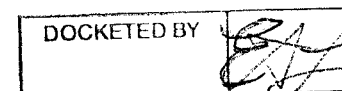
We now know that approximately 3,000+ of the 19,000 homes (20%) in SCW have rooftop PV, with well over the majority leased for up to 20 years. To protect the APS customers in our retirement community, where the average age is 75.6 years, any rate design attempt must be very deliberate and include ALL THE FACTS from the utility. In short, the rate design is an integral function of a utilities full general rate case followed by the Commission's decision on the utility's application.

The Commission, in its wisdom, on August 21, 2014 ordered to remove a requirement that APS file a general rate case in June 2015. With the Commission modifying Decision No. 74702, I believe that an outside rate case disguised as a rate design study should not single out the issue of net metering.

Arizona Corporation Commission

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How one can establish the true understanding of the net metering portion of this issue without supporting facts from the utility identifying an over or under rate-of-return. Net metering could and should be inclusive of any future general rate case filing. The application for a full rate case would provide the Commission with a clear and complete understanding of the facts and issues identified by the utility.

Conclusion:

This unfair proposal is extremely detrimental to senior citizens within age restricted retirement communities. I would remind the Commission that 19,000 APS customer rooftops within Sun City West have an average resident age of 75.6 years and a 20-year PV lease for the majority of the approximately 3,000 installs. To protect these customers we must be deliberate and as long term as possible. To meet this level of protection mandates that a future APS general full rate case would include a rate design case.

I would also offer that the Commission might precede utilizing Docket No. E-0000J-13-0375, Innovations and Technological Developments to evaluate modern rate design. Such a study could be broad based in its review providing concepts for future years to come. Following completion of the study, the Commission SHOULD NOT acknowledge or provide tacit approval prior to an APS general rate case application. At such time, the study documents MAY NOT or may be relevant to an application.

Thank you for allowing me the time to speak with you today. Please contact me directly at 623.214.8331 with any questions you may have.